

**Virginia Commission for the Arts**  
**September 24, 2010**  
**Minutes**  
**Visual Arts Center of Richmond**

**Members Present:** Nicholas J. Covatta, Chair; Lisa Alderman, Willie Dell, Tina Lea, Sharron Kitchen Miller, Evelia Gonzalez Porto, Marcia Neuhaus Speck, Marcia Thalhimer, Ann Bondurant Trinkle, Vaughan Webb, and Deborah Wyld

**Members Absent:** Gwen Everett and Ann Edwards Rust

**Staff Present:** Peggy Baggett, Foster Billingsley, Elizabeth Cantile, Tiffany Glass Ferreiro, and Cathy Welborn

**Guests:** Jane Short and Eric Borenstein of the Virginia Symphony; Jonathan Katz of the National Assembly of State Arts Agencies; and Alan Albert, Suny Monk, Trish Poupore, and Jim Thompson of Virginians for the Arts

**Introduction**

Nick Covatta, Chair, called the meeting to order at 10:08 a.m. Marcia Thalhimer made a motion to approve the minutes of the June 16-17, 2010, meeting. The motion was seconded and approved unanimously.

**Virginia Symphony**

Jane Short, President, and Eric Borenstein, Executive Director, of the Virginia Symphony, gave a presentation on the progress of the organization in achieving financial stability.

**Jonathan Katz of the National Assembly of State Arts Agencies**

Jonathan Katz, Executive Director of the National Assembly of State Arts Agencies, gave a presentation on the benefits of membership in NASAA and on trends facing the arts. In talking about the issues facing state arts agencies across the country, he made the following points.

- The economy will continue to be a challenge for state governments for at least two more years. On average state funding to the state arts agencies has been cut by 30-40%. Although eight states considered proposals to eliminate all state funding of the arts, none of these proposals passed.
- Public confidence in the ability of government to solve problems is at a low level. A large segment of the public does not understand the current and potential future impact of major Federal issues such as health care and the stimulus package. The lack of confidence in the Federal government trickles down to state and local governments.

- There have been tectonic changes in how people experience the arts. People are coming to expect personalized experiences in their increasingly scarce leisure time. Current technologies allow people to curate their own artistic experiences by downloading the songs they like in the order they prefer. They can manipulate gaming software to create their own characters or star in the stories. It is important for state arts agencies to help the traditional not-for-profit arts organizations adapt to this new world.

### **Policy Question from the Major Arts Organizations**

Peggy Baggett presented the question raised at the June 3, 2010, major arts institutions roundtable of whether the Commission should have more specific and stringent criteria for funding for the large budget arts organizations applying for operating support from the Commission. In the discussion of this issue the following points were made.

- There are significant benefits to individual communities and to the state as a whole in having major arts organizations as part of the overall fabric of the cultural community. These organizations have a significant economic impact, have extensive educational programs, and serve a large number of people. The artists who work for these institutions usually do other work in the community, such as private instruction in their art form or performances as small ensembles, which increases the opportunities for the public to experience the arts.
- When a major arts organization gets into serious financial difficulties, there is often media coverage which has an impact on the other cultural organizations in the community. This coverage can lead to community leaders questioning the management skills of all arts organizations. Donors may direct resources to save the imperiled institutions, which drains funding from other groups.
- It is the responsibility of the Commission to be a careful steward of public funds. The Commission should not give public funds to organizations that are dying. .
- There is a potentially serious impact on other donors if the state arts council cuts funding or labels an organization as being in trouble.

After discussion the Commissioners agreed by consensus that the following steps are the best approach in working with major arts organizations in serious financial difficulty.

- Each situation will be considered on a case-by-case basis rather than having a specific overall policy that is applied to all organization in the same circumstances.
- The Commission will continue to send the summaries of the reviewers comments to both the Executive Director and President of the board of all applicants for General Operating Support.
- In recruiting the panelists, the Commission staff will ensure that there are at least two people on the major arts institutions panel with knowledge of nonprofit accounting.
- If there is a member of the Commission who lives in the location of the affected major arts organization, that Commissioner will be asked to talk privately to the board leadership of the organization about the Commission concerns.

- The Commission reserves the right to make multiple grant payments throughout the year that are contingent upon the receipt of status reports. The guidelines will be amended to show this possibility.

### **Alan Albert, Legislative Counsel, Virginians for the Arts**

Alan Albert, Legislative Counsel, Virginians for the Arts, gave a presentation about state revenues and future prospects for arts funding. He stated that Virginia relies upon individual income tax and sales tax revenue for about 80% of the General Fund. The state budget is approximately 50% General Fund and 50% non-General Fund revenues, and there is great competition for the General Fund appropriations. Even if the economy greatly improves, it takes a period of time for tax collections to catch up so state funding will be a challenge, not only in the current budget, but also in the next biennium. The challenges facing the Commission and Virginians for the Arts are to tell the compelling story of how the arts serve the Commonwealth and to expand the pool of advocates.

### **Requests for Reconsideration of Grant Decisions**

Peggy Baggett explained that two organizations had requested that the Commission reconsider the decisions made about their applications at the June Commission meeting. She pointed out that neither request falls under the formal appeals process but that the Commission staff brings any written request for reconsideration of a grant decision to the attention of the Commission board. Nick Covatta stated that it is, in his opinion, important for the Commissioners to review such requests, unless the volume of such requests increases to the point that the review is too time consuming.

**Virginia Chamber Orchestra.** Peggy Baggett pointed out that there had been three factual errors in the reviewers comments. Since two of the errors were labeled as strengths of the organization, however, she did not think that the priority ranking would have been higher even if the errors had not been made. Some Commissioners expressed concern that this orchestra, which has been in existence since 1971, has such limited visibility to the public in the northern Virginia area. No action was taken on the request.

**Matthew Whaley Elementary School.** Several Commissioners expressed sympathy for the school in trying to find funds for a valued program. They noted, however, that the application did not make the case of being a new or expanded project. No action was taken on the request.

### **2011-12 Guidelines for Funding**

Peggy Baggett explained that the Commission has for many years adopted two-year guidelines for funding to conform to the state biennial budget and to save money on printing costs. In 2009, however, with the uncertainties about state funding and restrictions on state agency printing, the Commission adopted guidelines for 2010-11 only. She asked if there are any policies or procedures that should be considered for change in adopting the 2011-12 funding guidelines. Other than adding language to point out that the Commission may make multiple

grant payments during the year, which are contingent upon status reports from the grantees, there were no suggestions for changes.

### **Conditional Grants**

Peggy Baggett reported on the status of the conditional grants awarded at the June meeting.

Birthplace of Country Music Alliance. Grant approved by Executive Committee following the receipt of the requested status report.

Lynchburg Symphony. Grant still pending since some, but not all, of the requested information had been received.

Alexandria Choral Society. Grant approved by Executive Committee following the receipt of the requested status report.

Southeastern Virginia Arts Association. The Commission staff has been notified that the organization is going out of business.

Virginia Musical Theater. Grant still pending. The organization did not provide the requested status report by the September 1 deadline.

James River Council for the Arts and Humanities. The organization will receive a Services to the Field grant through its new fiscal agent, Amazement Square.

### **Next Steps in Advocacy**

The Commissioners discussed the next steps in the statewide advocacy effort and the changes at Virginians for the Arts. Several Commissioners commented on the need to keep the advocacy effort bipartisan and the need for professional legislative counsel.

It was suggested that there be a joint meeting of the Virginia Commission for the Arts and the Virginians for the Arts boards, possibly in connection with the Art Works for Virginia conference..

There being no further business, the meeting was adjourned at 3:31 p.m.